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**USTR, USDA ANNOUNCE SERIES OF NEW MEASURES  
TO OPEN CANADIAN FARM MARKETS**

United States Trade Representative Charlene Barshefsky and Secretary of Agriculture Dan Glickman today announced agreement with Canada on an initial set of measures to further open Canadian markets to American farm and ranch products.

“Today we have taken a step toward fair and open agricultural trade with Canada,” said Ambassador Barshefsky. “While we clearly have more to do, the measures we have achieved today will help solve many of the problems faced by grain growers, the cattle industry, and pork producers. This initiative addresses broad regulatory concerns and includes important trade monitoring measures that will provide a window on Canadian agricultural practices. This is a first step, but for American farmers and ranchers, it is good news in a trying year.”

“Today’s agreement,” said Secretary Glickman, “is an important first step toward resolving some longstanding trade issues between our two countries. We have made it easier for U.S. wheat to enter Canada and improved access for U.S. hogs and cattle. We will also work with Canada to avoid disruptions in trade based on use of veterinary drugs for food-producing animals, and have agreed to address harmonization of policies on pesticides, sampling and inspection.”

Under today’s agreement, in the grain sector Canada will:

- Allow farmers from Montana and North Dakota to ship grain directly to Canadian elevators with far fewer regulatory obstacles. Under this program, initially, four Canadian companies have proposed that 27 elevators -- most within 60 miles of the border -- would receive U.S. grain directly.
- Eliminate further burdensome testing requirements for Karnal bunt, thereby reducing costs to growers in fourteen northern states that ship to or through Canada.

- Begin accepting rail shipments of grain from Minnesota, Montana and North Dakota before January 1, and accept rail shipments of grain from other states after six months.
- Provide export sales forecasts and agree to quarterly consultations on export levels, improving the ability of the U.S. to monitor grain trade flows.

This action will provide a window for the U.S. government to view Canadian pricing practices into the United States. Additionally, the United States will take a separate action by scrutinizing Canadian grain sales into the U.S. marketplace.

In livestock, Canada will:

- Immediately eliminate its 30-day quarantine on U.S. live hogs from 33 states. This reform will significantly reduce costs for U.S. producers selling hogs into the Canadian market.
- Allow 26 states to ship feeder cattle to Canada under new regulations. The existing system was riddled with regulatory barriers that substantially curtailed export opportunities and placed a heavy additional cost burden on U.S. ranchers.
- Completely revise animal health regulations as it applies to U.S. livestock within 30 months. By agreeing to this action, Canada will undertake a major overhaul of its animal regulatory system leading to increased opportunities for U.S. livestock producers.

Other areas will include greater cooperation on cattle trade data, harmonization of pesticide and animal drugs registration, and continued consultation on potato trade.

USTR and USDA will continue working for broad opening in US-Canada agricultural trade through Minister-level consultations, technical negotiations, and the broad agricultural trade negotiations set to begin after the U.S. hosts the WTO Ministerial Conference in 1999.